SYNOPSIS OF THE PROPOSED THESIS

SUBMITTED TO MANGALORE UNIVERSITY

TITLE OF THE PROPOSED THESIS

EMPLOYMENT OPPORTUNITIES FOR SOCIAL TRANSFORMATION THROUGH ENTREPRENEURSHIP

–A STUDY WITH A SPECIAL REFERENCE TO MSMEs IN KASARAGOD DISTRICT OF KERALA .

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INTRODUCTION

One of the important advantages of entrepreneurship is that it can remove one of the biggest problems of the country i.e. unemployment. Government jobs are very limited in number, so majority of job seekers get satisfied with jobs in other sectors, especially, in private sector. As a matter of fact, government takes all possible steps to eradicate unemployment problems by promoting entrepreneurs for setting up their undertakings in our country.

As per the details of industries in Kasaragod district in Kerala state, the number of Small Scale Industries is high when compared to that of other type of industries in the same district. So I would like to conduct a study with regard to the employment scenario of MSME's in Kasaragod District of Kerala state.

Keywords :Employment,Social transformation,Entrepreneurship,MSME's.

CONCEPTUAL AND THEORETICAL FRAMEWORK

The central and state governments have been implementing different socio-economic programs for economic and socio-cultural improvement of rural people of the country. In order to achieve this target , entrepreneurs' are given substantial support as they can solve the problem of

unemployment . Against this background, it is very important to measure the socio-economic development of the rural people especially through employment. Today one can see various kinds of engagements by the entrepreneurs' world over but the scope of this study is limited to MSME's of Kasaragod District of Kerala state. No major attempt has been made so far in this direction. Research is very much required for assessing the various issues concerned to the employment scenario of this sector. Therefore the current study hopes to help the society to provide more competing workers for transforming socio-economic standard of the rural people in the district.

LITERATURE REVIEW

One of the important advantages of entrepreneurship is that it can generate employment opportunities[1]. Being Government jobs are very limited in number, majority of job seekers get satisfied with jobs in other sectors, especially, in private sector.[2] The role of entrepreneurs is most important especially at this time of population explosion which resulted in under and unemployed youth in a country.[3]

Man power can be effectively utilised for the economic development of the country at the same time they are getting opportunity for their lively hood.[4]

To utilise locally available resources small scale business is more suitable to an entrepreneur as it requires only small amount of capital as compared to that of large scale business.[5]

Hence it is appropriate to briefing various aspects of entrepreneur and entrepreneurship.

The concept of entrepreneur

The word “entrepreneur” derived from a French verb, *entreprendre,* meaning “to do something” or “to undertake.” By the sixteenth century, the word, *entrepreneur,* was being used to refer a person who undertakes a business venture. **Richard Cantillon,** French Economist, who applied the word entrepreneur to business for the first time. He defined an entrepreneur as a person who buys goods or services at certain prices with a view to sell them in the future. The entrepreneurs were not distinguished from managers. They were viewed mostly from the economic perspective. He takes risk, contributes his own initiative and skills. He plans, organizes and leads his enterprise.

In the early 1800s, economists Jean-Baptiste and John Stuart Mill further popularized the academic usage of the word “entrepreneur.” Say stressed

the role of the entrepreneur in creating value by moving resources out of less productive areas and into more productive ones.

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Mill used the term “entrepreneur” in his book, “Principles of Political economy”, to denote to a person who assumes both the risk and the management of a business. In this manner, Mill provided more clearer distinction than Cantillon between an entrepreneur and other business owners who assume financial risk. In his view entrepreneur do not actively participate in the routine operations or management of the firm.

Joseph Schumpeter and Israel Kirzner, advanced the academic understanding of entrepreneurship. Schumpeter stressed the role of the entrepreneur as an innovator who implements change in an economy by introducing new goods or new methods of production. In the Schumpeterian view, the entrepreneur is a disruptive force in an economy. Schumpeter emphasized the beneficial process of Creative Destruction, in which the introduction of new products results in the obsolescence or failure of others. The introduction of the compact disc and the corresponding disappearance of the record is just one of many examples of creative destruction: cars, electricity, aircraft, and personal computers are others. In contrast to

Schumpeter's view, Kirzner focused on entrepreneurship as a process of discovery. Kirzner's entrepreneur is a person who discovers previously unnoticed profit opportunities. The entrepreneur's discovery initiates a process in which these newly discovered profit opportunities are then acted on in the marketplace until market competition eliminates the profit opportunity. Unlike Schumpeter's disruptive force, Kirzner's entrepreneur is an equilibrating force.

Classification of Micro Small and Medium Enterprises (ref : MSMED Act, 2006)

MANUFACTURING SECTOR

	Investment in plant & machinery
Micro Enterprises	Up to **25** lakhs rupees
Small Enterprises	More than **25** lakhs rupees but does not exceed 5 crore rupees.
Medium Enterprises	More than **5** crore rupees but does not exceed **10** crore rupees

SERVICE SECTOR

	Investment in plant & machinery
Micro Enterprises	Does not exceed **10** lakhs rupees

Small Enterprises	More than ten **10** lakhs rupees but does not exceed **2** crores rupees.
Medium Enterprises	More than **2** crores rupees but does not exceed **5** crores rupees

Micro, small and medium enterprises (MSMEs) has to play an important role in the overall industrial development of the country. MSMEs have been the substantial donor to the national income, with their major participation in the country's industrial production. They help in providing very large employment opportunities people across the country and also solves the problem of concentration of economic power. MSME provides a very good opportunity to foster the talents and the skills of locally available human resources. The labour intensity in the MSME sector is significantly higher than that of large scale industries. Thus, this sector has been considered as a priority sector by both the Central and the State Governments.

Rural development is highly depend on entrepreneurship than ever before. Institutions and individuals promote rural development treat entrepreneurship as a strategic development intervention that could accelerate the rural development process. Development agencies also agree on the urgent need to promote rural enterprises as they see rural entrepreneurship has an enormous employment potential. Politicians see it

as an instrument to prevent rural unrest. Farmers see it as an advantage for marketing their farm products and women see it as an employment opportunity to near their homes . Therefore, entrepreneurship stands as a solution to the problems related to the quality of life for individuals, families and communities and to maintain a healthy economy and environment.[5]

The rural user innovators initially developed the product to meet their individual need but also thought about its commercial viability mainly to earn money. They started using their product to show its use to other people in their rural community. The rural innovators also tried to use locally available manpower but were not able to successfully utilised and experienced a gap.[6]

The study titled “Determinants of industrial success in MSME sector” conducted by Laskar Habibur Rahman, 2015 is to know how “Demographic Factors of entrepreneur ‘motivational variable’ Personal traits, knowledge, skills, economic and environmental variables lead to a successful entrepreneur in food processing MSMEs of Assam.

There is a study on the role of the MSMEs conducted to know the outcome of the measures taken by the Government to strengthen the MSMEs through the MSME-DIs by Mathew Antony,2014 titled “A study of the role of MSME DI in the development of MSMEs in Kerala” cover the important industrial promotion agencies and analyses the role of the MSME-DI in the industrialisation of Kerala.

Providing employment is one of the important functions of an entrepreneur towards the society. Locally available resources can be better utilised for production by MSMEs. Larger firms have the advantage of financial and human resources that motivate the use of well-structured HRM practices. While smaller firms have limitation on financial resources as well as inability to provide job security and therefore are affected by the changes in the external job market. There can be chances of following informal practices in recruiting and selecting candidates. Most of the time they rely on opinion of their close associates in selecting and do not provide adequate training to empower the employees to perform job better. These limitations affect the MSMEs adversely in achieving goals towards society. Healthy Intervention of government to introduce labour agreements , impact of intervention trade unions activities, it is essential to follow labour agreements uniformly to ensure solution are available to common problems. However research is required in this area to ascertain the situation regarding selection, training, promotion and welfare measures to workers with special reference to micro small and medium industries of Kasaragod district of Kerala state.

Kerala has 14 districts. *Kasargode* District came in to existence on 24th May, 1984 The District comprises of a single revenue division
Kasaragode consisting of 2 Taluks and 127 villages. Out of 127 villages, 82 villages are in Kasargode Taluk and 45 villages in Hosdurg Taluk.

The District is bound in the north by DK district of Karnataka state, on the west by Arabian Sea, on the south by Kannur District and on the east by Kodagu and
Dakshina Kannada districts of Karnataka state.

As per 2011 census population in the District is about 3.9 percentage of the total
population of the State. Out of 13.07 lakhs population, 7.98 lakhs persons from rural
area and urban population is 5.09 lakhs. Female population is 51.92 percentage
of population in the District.

During the last decade literacy rate in the District has increased from 84.57 to 89.85.Out of 269883 illiterates in the District 170296 is from rural area and 99587 personsfr om urban area. Number of illiterates in the District is about 5.12 percentage of total illiterates in the State.

The District is generally considered as industrially backward. Available statistics shows 5795 industrial units registered under SSI/ MSME act in the District in the tune of total investment of 21788 lakhs and generated 31461 employment opportunities.

2011 census data reveals, total workers in the District categorized under main workers and marginal workers are 462998. Number of main workers in the District is 372700 and marginal workers are 90298. Total workers are categorized as cultivators, agricultural labourers, household industry workers and other workers. Female participation in the work force in the District is around 29.75 percentage. But in the household industry sector females dominated in the working force. Their share in the household industry workers are 72.61 percentage, whereas in the State female workers in the household industry is about 33.37 percentage. Percentage of marginal workers in the District is about 3.94 of the State total. Number of non workers in the District is 844377 which is around 3.87 percentage of the State total.

Statement of the research problem

The study is mainly concentrating on the employment opportunities viz- skilled, semi-skilled and unskilled labour opportunities, available in the MSME's which is utilized by rural people . The study covers Kasaragod district of Kerala state, where the maximum number of units registered in SSI is high as compared to that of other industries in the district.

Objective of the study

To study the efforts of the state government taken in the development of the entrepreneurs in Kasaragod district.

To trace the procedures in the process of providing employment by the MSME's.

To find if there are any preferences given by the owners in appointing employees of Kerala state as well as migrant employees.

To give suggestions to safeguard the interest of the beneficiaries.

Hypothesis

(a)The personal factors such as experience, technical knowledge, willingness to work and the formal or technical educations related to workers help them in improving their performance and get return in terms with their performance. To prove this below hypotheses have been framed.

H_1: There is a meaningful association between personal factors such as experience, technical knowledge, willingness to work and employment opportunities.

H_0: There is no meaningful association between personal factors such as experience, technical knowledge, willingness to work and employment opportunities.

H_0: Educational qualification and performance are not related to each other.

H_1: Educational qualification and performance are related to each other.

(b) It is generally believed that mostly entrepreneurs can remove unemployment problems of backward regions by employing locally available labour force. An attempt has been made to find out the ratio of local and outside workers. Following hypotheses are framed to verify these relations.

H_0: There is no significant association between migrated work force and local employment opportunities.

H_1: There is a significant association between migrated work force and local employment opportunities.

H_0: There is no meaningful association between working attitude and educational qualification.

H_1: There is a meaningful association between working attitude and educational qualification.

(c) It is considered that employment decision of entrepreneur and some psychological variables are satisfied with their workers and they considered themselves successful or not and try to cross check these variables with percentage of net profit. Hypothesis is framed to verify these relations.

H_0: There is no meaningful association between employment decision of entrepreneur and percentage of net profit.

H_1: There is a meaningful association between employment of entrepreneur and percentage of net profit.

RESEARCH METHODOLOGY

The present study is designed as a descriptive based on primary data and secondary data.Descriptive research includes surveys and fact finding enquiries of different kinds. The major purpose here is the description of the state of affairs as it exists at present. The population of the study includes the micro small and medium industries and the beneficiaries located in Kasaragod district of Kerala state. The primary data is to be collected from entrepreneurs of MSME’s and employees through field study. The secondary sources such as the related Kerala government initiative for the development of entrepreneurs and MSME’s in Kasaragod District.

Chapter scheme

This study is to be presented in seven chapters. The first chapter to introduce the Research subject. It consists of objectives of the study, scope, significance and methodology of the study. The second chapter to deal with the theoretical frame work of the study. The Review of Literature is to be presented in detail in third Chapter, and the research methodology has to be discussed in fourth Chapter. The fifth Chapter is to elaborate the

perspectives of MSMEs in Kasaragod district of Kerala state and the sixth chapter is to give a comprehensive study of employment scenario of MSMEs in Kasaragod district. The final chapter for the summary, findings and recommendations.

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